

<sup>2</sup> The “Royalty Claimants” are: Airport Land Partners, Ltd.; John Anderson; Fernando Jose Arroyo; Bar Seven L, LLC; Allen Byerley; Richard N. Casey; Alice Colton; Don Colton; Gregg Colton; Daniels Petroleum Company and Barrett Baker as President; Vernon P. Dedisse, Jr.; Mary Ruth Dedisse; Divide Creek Enterprises, LLC; Energy Investments, Inc.; Hunter Family Limited Partnership; Jerry D. Jones, individually as trustee of the Paula Jones Special Needs Trust; Christine Jones; Juhan LP; Juhan-Ray, LLC; Juhan Fordham Minerals, LLC; Peter Langegger; Laramide Geosciences, LLC; Thomas D. Lawson; Fred Limbach; Paul Limbach; Nanci Limbach; Stacie Anderson Malone; MAP2003-NET, an Oklahoma general partnership; MAP2004-OK, an Oklahoma general partnership; MAP99A-NET, a Texas general partnership; Kristine M. Peterson; Michael Pinnell; Pioneer Oil and Gas; Kelley Anderson Rinehart; Roy Royalty, Inc.; Jason Alan Scott; Joseph Edward Scott; Rebecca P. Scott; Sharon Salgado; Shideler Energy Company, LLC; Shidelerosa, LLP; Patrick L. Shuster; Toni M. Shuster; The City of Rifle, Colorado; Titan Energy Resources Corporation; Watson Ranches, Ltd.; Brett James Watson; Diana K. Watson; James L. Watson; Lee Watson and Evadean Watson, as co-trustees of the Watson Family Revocable Trust; and Velma Weinreis.

The Royalty Claimants, Appellants herein, by and through their undersigned counsel, hereby move this Court (the “*Motion*”), pursuant to Rule 8007(b) and 8013(d) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”) and the Court’s inherent power to manage its docket, for entry of an order setting an expedited briefing schedule and granting an expedited hearing on the *Royalty Claimants’ Emergency Motion for Stay Pending Appeal* [Docket No. 4] (the “*Stay Motion*”), and setting the Stay Motion for hearing on or before May 5, 2021. In support of this Motion, the Royalty Claimants respectfully state as follows:

1. On September 2, 2020, (the “*Petition Date*”), the Debtors<sup>3</sup> filed voluntary petitions for relief under the Bankruptcy Code in the United States Bankruptcy Court for the District of Delaware (the “*Bankruptcy Court*”).

2. The Debtors continued to operate their businesses and manage their properties until all of Debtors’ assets were sold to Terra Energy Partners, LLC, effective October 1, 2020 (the “*Sale Date*”). *See, Order Authorizing (I) the Sale of the Assets of the Debtors Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (II) the Debtors to Enter into and Perform their Obligations under the Purchase Agreement and Related Documents, (III) the Debtors to Assume and Assign Certain Contracts and Unexpired Leases, and (IV) Granting Related Relief*, [Bankruptcy Case No. 20-12065, D.I. 265].

3. On March 15, 2021, the Bankruptcy Court entered a Final Decree Closing Certain Cases and Amending the Caption of the Remaining Case [Case No. 20-12065, D.I. 485], which closed the bankruptcy cases for all of the Debtors except the above-captioned Wind-Down Debtor.

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<sup>3</sup> *In re: Ursa Piceance Holdings, LLC* (Case No. 20-12065); *In re: Ursa Piceance LLC* (Case No. 20-12066); *In re: Ursa Operating Company LLC* (Case No. 20-12067); *In re Ursa Piceance Pipeline LLC* (Case No. 20-12069).

4. On March 8, the Bankruptcy Court held a hearing to determine if the monies which the Royalty Owners seek to recover on certain royalty underpayment claims against Ursa constitute money that is not property of the Wind-Down Debtor's estate.

5. On March 30, 2021, the Bankruptcy Court entered the *Order Regarding Certain Royalty Claimants and Sustaining Debtors' First Omnibus Objection to Certain Proofs of Claim* [D.I. 18] (the "*Claims Objection Order*").

6. On April 2, 2021, the Royalty Claimants filed an appeal of the Claims Objection Order to this Court [Bankruptcy Case No. 20-12067; D.I. 20].

7. Contemporaneously therewith, the Royalty Claimants filed an *Emergency Motion for Stay Pending Appeal* [Bankruptcy Case No. 20-12067; D.I. 22] (the "*Bankruptcy Stay Motion*") in the Bankruptcy Court pursuant to Bankruptcy Rule 8007(a), requesting entry of an order staying the effectiveness of the Claims Objection Order pending resolution of the Royalty Claimants' appeal of the Claims Objection Order, and requesting an emergency hearing.

8. The Bankruptcy Court granted an emergency hearing, and on April 14, 2021, the Bankruptcy Court entered an *Order (I) Denying the Royalty Claimants' Emergency Motion for Stay Pending Appeal; and (II) Entering 21 Day Courtesy Stay* [Bankruptcy Case No. 20-12067; D.I. 37]

9. While the Bankruptcy Court denied the Royalty Claimants' the relief requested, recognizing the Royalty Claimants' right to seek relief from this Court as contemplated in Bankruptcy Rule 8007(b), the Bankruptcy Court granted a 21-day stay of the Claims Objection Order, to allow this Court to hear the Stay Motion without a rush to the courthouse, albeit still on an expedited basis, should the Court grant the Royalty Claimants' request herein.

10. As set forth in greater detail in the Stay Motion, in order to ensure that the Royalty Claimants' appeal of the Claims Objection Order is not mooted by the Wind-Down Debtor transferring almost all of its assets to its secured lender, Wells Fargo N.A., the Stay Motion needs to be heard on an expedited basis. More specifically, the Claims Objection Order is only stayed by the Bankruptcy Court's order until May 5, 2021. After that date, without a further stay, the Debtors may turn over all funds currently being held to their senior secured lender, potentially leaving nothing in the estate for the Royalty Claimants in the event they are successful in their appeal.

11. Therefore, the Royalty Claimants seek entry of an order expediting the briefing schedule set forth in Rule 7.1.2 of the *Local Rules of Civil Practice and Procedure of the United States District Court for the District of Delaware* (the "*Local Rules*"); and scheduling an expedited hearing on the Stay Motion to be conducted on or before May 5, 2021.

12. For the reasons set forth in the Stay Motion, the relief requested in the Stay Motion is necessary and appropriate on an expedited basis.

13. Specifically, the effect of the Claims Objection Order is that the Wind-Down Debtor will be permitted to transfer the approximately \$35 million currently in hand to Wells, leaving in the estate a liquidating trust fund in the amount of approximately \$525,000, which may end up being the only funds available to apply to any amounts found due and owing to the Royalty Claimants. The disbursement of funds to Wells after the Claims Objection Order is effective would be highly prejudicial to the Royalty Claimants and cause them serious irreparable harm in the event that they are successful in an appeal.

14. For this reason and those set forth in the Stay Motion, cause exists to consider the Stay Motion on an expedited basis.

**WHEREFORE**, the Royalty Claimants respectfully request that this Court enter an order: (i) expediting the Briefing Schedule for the Stay Motion; and (ii) setting the Stay Motion for hearing on or before **May 5, 2021**.

Dated: April 16, 2021

Respectfully submitted,

/s/Maria Aprile Sawczuk

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